Thompson-Hamel, LLC Newsletter

Second Quarter 2011

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THOMPSON-HAMEL CELEBRATES 20 YEAR ANNIVERSAY WITH UNION CENTRAL

In May, Thompson-Hamel, LLC celebrated its 20th anniversary of being a general agency of Union Central Life Insurance Company of Cincinnati, Ohio, which is now part of the UNIFI Companies (www.unificompanies.com). Brian, Jay & Art have consistently been recognized by Union Central for their fine service to their clients each and every year they have been associated with the company. Brian, Jay and Art qualified to attend the UNIFI Companies' Leaders Conference in Washington, DC in April. Brian and Jay's qualifying at the President's Club level and Art qualifying at the Veteran's Club level is evidence they are leaders in their field and are committed to providing valued service to their clients.

GRANTS AVAILABLE THROUGH MAINE'S NEXTGEN 529 COLLEGE SAVINGS PLAN

As we all are aware, the cost of higher education can be quite significant. The State of Maine's NextGen 529 college savings plan recognizes the hurdles associated with saving for higher education, and as a result has developed a number of grant programs to stimulate investing in its 529 college savings program. These grant opportunities are highlighted as follows and can be viewed in greater detail at NextGen's website at www.nextgenplan.com:

Harold Alfond College Challenge Grant: A $500 grant is available to all Maine resident babies until their first birthday to open a NextGen account, regardless of family income.

NextGen Initial Matching Grant: Maine accounts opened with a minimum initial contribution of $50 are eligible for a one-time $200 Initial Matching Grant, regardless of income.

NextStep Matching Grant: Maine accounts opened on or after January 1, 2011 are eligible for a NextStep Matching Grant, which provides a one-third match on contributions made to the account within the first 24 months of account opening, up to a maximum total award of $400, regardless of family income.

Automatic Funding Grant: Maine accounts opened on or after January 1, 2011 are eligible for a one-time $50 Automated Funding Grant when any automated funding service option is elected, regardless of income.

If you would like to learn more about these NextGen grant opportunities, or would like to discuss the merits of investing in a 529 college savings plan, please give Brian or Jay a call at (207) 764-3302 or 1-888-377-9373.

Before investing in a 529 Plan, carefully consider the plan's investment objectives, limitations, risks, fees and expenses. This information can be found in the official statement. Official statements are available from our office. Please read carefully before investing.

Inside this issue:

WHY LIFE INSURANCE ON A CHILD OR ADOLESCENT?

Since a child or adolescent may not necessarily have the same financial obligations as an adult, does it make sense to secure life insurance on their lives? This is a question many parents and grandparents ponder upon the birth of a child, or as children age. Generally speaking, the best time to secure life insurance is when you are young and healthy, which can result in a lifetime of premium savings and the security of knowing life insurance is in place for future financial obligations. More importantly though, life often times places roadblocks in front of us from a health perspective when we least expect it. It's this health uncertainty from either an individual or family history perspective that is the primary reason why life insurance should be considered early in life. Insurability at a young age is a very valuable gift that could pay dividends in future should the insured become unhealthy and thus is otherwise uninsurable. Please give Brian a call to discuss how life insurance could play a vital role in the financial futures of your children or grandchildren.

GROUP DISABILITY INCOME INSURANCE BENEFITS

Many of our clients have group disability income insurance benefits through their employer. Although these group disability policies can be an attractive employee benefit, there are some pitfalls you should be aware of. Outlined below are some points to consider when evaluating your group disability income insurance policy, and whether or not it makes sense to secure supplemental insurance coverage to protect your income:

- Assuming the employer pays for the insurance premium, any disability income benefits received by the employee are taxable income to the employee. By comparison, disability income benefits associated with individual disability income insurance policies secured and paid for by the insured are not taxable.

- Group disability income insurance policies typically cannot be converted to individual policies. As a result, if you separate from service from your employer you will not be covered by the former group disability insurance plan. Conversely, individual policies continue to remain in force regardless of the status of your employment.

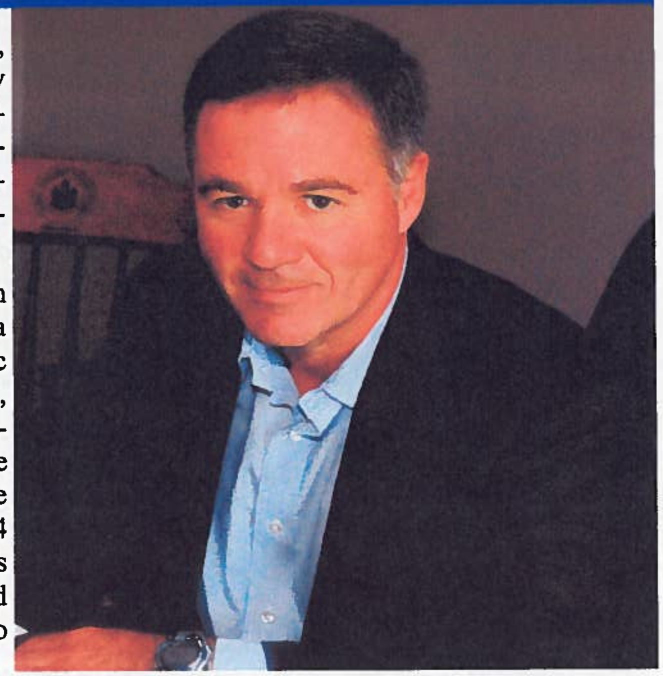
- A group policy will pay up to a certain percentage (i.e.: typically 60% to 66 2/3%) of annual salary. This begs the question "Can you live on 60% or 66 2/3% of your current annual salary?" When most clients are asked this question, the answer is typically "I have a hard time making ends meet at 100% of my salary, and I can't afford a 33 1/3% or 40% reduction in my pay should I become disabled". This is the primary reason why an individual policy should be considered to partially bridge this gap.

- Group policies usually have a monthly cap on income benefits. Depending on your annual salary, this could further reduce your income should you become disabled.

- Group policies cover a certain percentage of annual salary and not total compensation. If you are fortunate enough to be eligible for incentive compensation with your employer, the income associated with these bonuses may not be covered by the group plan. This is another reason why a supplemental disability income policy should be considered.

During our working lives, often times our most valuable asset is our ability to earn an income to live the lifestyle we have become accustomed to. Brian would be happy to conduct a review of your group disability income policies to determine whether or not a supplemental disability income insurance policy is right for you.

PARTNER FOCUS – BRIAN N. HAMEL



After joining Thompson Associates in April 2005, on January 1, 2007, Brian became an equity partner in the newly formed entity of Thompson-Hamel, LLC. In April 2009, Brian became Managing Partner of the firm. Brian is a Series 7 Registered Representative and a licensed Life & Health Insurance Producer, providing clients with estate planning, investment and insurance services.

Prior to becoming a partner in Thompson-Hamel, LLC, Brian provided consulting services through Hamel Enterprises, LLC, a full service consulting firm advising clients in the fields economic development, business attraction, base closure redevelopment, and business consulting matters. In addition, Brian was the President & CEO of the Loring Development Authority of Maine (LDA), and oversaw the development of the Loring Commerce Centre in Limestone, Maine from the LDA's inception in 1994 until April 2005. Due in large part to the efforts of Brian and his team, the former Loring Air Force Base has been transformed into a vibrant economic engine, bringing much-needed jobs to northern Maine.

In recognition of his accomplishments, Brian has been honored as Developer of the Year by the National Association of Installation Developers in Washington, D.C., as the State of Maine's Champion for Economic Growth by the Maine Development Foundation, as the Citizen of the Year by the Presque Isle, Maine Chamber of Commerce, as a Paul Harris Fellow by the Presque Isle Rotary Club, and a member of the Million Dollar Roundtable (MDRT).

Brian has amassed 31 years of broad-based business knowledge during his career, including his experiences at Thompson-Hamel, LLC, in base closure development in Maine and New Hampshire, as an executive for a manufacturing conglomerate in Portsmouth, New Hampshire, and as a Certified Public Accountant (CPA) at one of the world's largest international accounting firms in Boston, Massachusetts. He graduated Cum Laude from the University of Massachusetts at Amherst in 1980 with a Bachelor's degree in Business Administration.

Brian's contributions to public service currently include his role as the Chairman of the Board of Trustees of the Maine Winter Sports Center, Board of Director member of Maine & Maritimes Corporation, Chairman of the Board of the Northern Maine Community College's Foundation Executive Board, a Board of Director Member of the Maine Community Foundation, and Board Member of the Maine Community Supporting Foundation. Brian's past service has included being a Board of Director member of the Presque Isle Rotary Club, Chairman of the Board of Trustees of the Maine Community College System, Board member of the National Association of Installation Developers, Moderator of the Presque Isle Congregational Church, Board member of the University of Maine at Presque Isle's Board of Visitors and Foundation, a Corporator at The Aroostook Medical Center, a Mentor in the Central Aroostook County Mentoring Program, and he was a general election candidate for U.S. Congress in Maine's Second District in 2004.

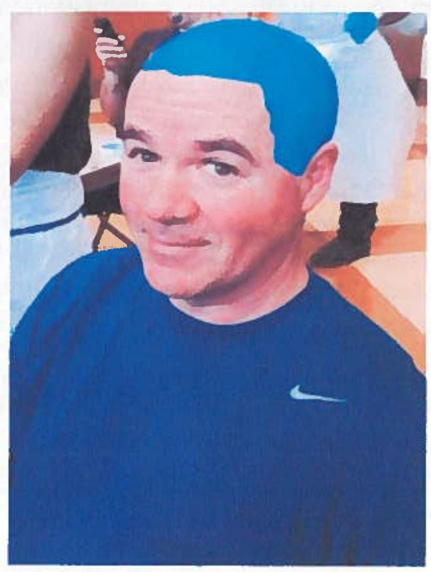
Brian and his wife, Gail, reside in Presque Isle, Maine, have been married for 30 years, are the proud parents of three daughters, Natalie, Abby and Molly, and grandparents to Annabelle and Owen. Brian enjoys spending time with his family, camping, hiking, running (11 marathons, including 7 Boston Marathons), biking, golfing, skiing, traveling, and playing cribbage. Brian is also an avid fan of the Boston Red Sox, Boston Celtics, New England Patriots, and the Boston Bruins!

CONGRATULATIONS JUSTIN!

On June 11th Jay's son, Justin, graduated from the Limestone Community School, and achieved the tremendous honor of being the Valedictorian for his graduating class. In addition, in April Justin was chosen to receive the 2011 Maine Principals' Association Principal's Award, and traveled to Bangor with his Principal, Leland Caron, to accept his award. According to Caron, "Throughout his years at Limestone Community School, Justin has distinguished himself in the classroom, on the playing field, and as a leader in the school and community. Justin has consistently modeled outstanding school and community citizenship while successfully maintaining a challenging academic course load at the Limestone Community School. He has positively impacted the school and deserves this recognition very much". In the fall, Justin will be attending The World of Life Bible Institute located in upstate New York, and he will also travel to The Institute this summer to work closely with young children in a campground setting. Congratulations Justin!!

PLANET HEAD FUNDRAISER

On February 19th, Brian Hamel participated in the Planet Head Day fundraiser at the University of Maine at Presque Isle to raise funds for Caring Area Neighbors for Cancer Education and Recovery (www.c-a-n-c-e-r.com). As many of you may be aware, Brian was diagnosed with prostate cancer on October 22, 2010, and he wanted to participate in this fundraiser to raise awareness of the importance of annual checkups. It was during an annual check-up that Brian's cancer was discovered, and this early detection has been critical to Brian's recovery. Thanks to the support of 92 very generous donors, Brian presented checks to C.A.N.C.E.R totaling $6,142, while the total event provided over $15,000 to C.A.N.C.E.R. The 2011 fundraiser represented a tripling of donations from the previous year's high of $5,000. As part of this fundraiser, Brian agreed to have his head shaved and at the request of his donors, his head was painted as a replica of the Planet Uranus to also raise awareness of space exploration. Brian was a real sport to participate in this event, and his message went a long way to improving the awareness of early screenings for prostate cancer.

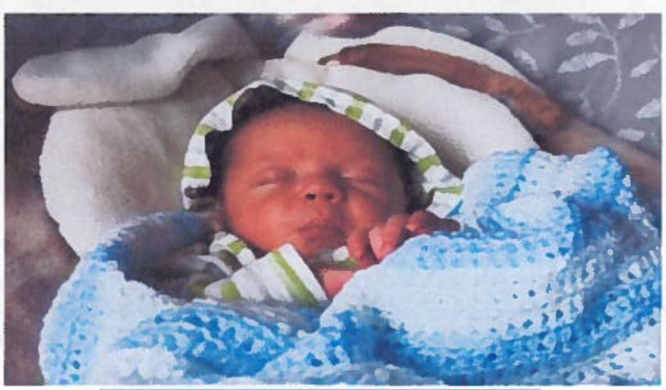


HAMEL FAMILY UPDATE

It has been a busy nine months in the Hamel household!! In the fall of 2010, Brian & Gail's daughter, Abigail, earned a professional designation as a Licensed Clinical Social Worker. Abby graduated from the University of Maine with a Bachelor's Degree in Social Work in 2007, and followed that up with a one-year accelerated Master's Degree in Social Work from the University of Maine in 2008. Abby is a Licensed Clinical Social Worker for Community Care in Bangor, Maine. On May 12, 2011, Brian & Gail became grandparents for the second time with the arrival of Owen Garner Nadeau. Owen is the son of Brian & Gail's daughter, Natalie, and her husband, Marcus. Owen, Natalie and Marcus are doing well, and Owen's 3-year old cousin, Annabelle, loves the opportunity to play with "Baby Owen"! Natalie and Marcus are both graduates of the University of Maine, and Natalie is the Branch Supervisor at Camden National Bank in Bangor and Marcus is a Physical Education & Health Teacher at Hampden Academy. Two days after Owen's birth on May 14^{th}, Brian & Gail's daughter, Molly, graduated Cum Laude from Babson College in Wellesley, Massachusetts, with a Bachelor of Science Degree in Business Administration with a concentration in Marketing. Molly has brought her entrepreneurial talents to Carousel Industries in Windsor, Connecticut after accepting a position in its Executive Sales Development Program. Congratulations to all the Hamel Ladies and GG & Papi (that's what Annabelle and Owen call Brian & Gail!).

Abby & Annabelle Hamel

Molly Hamel



Owen Garner Nadeau

Brian Hamel Throws Out the First Pitch for the Portland Sea Dogs

On May 28th, thanks to a generous gift received from the Maine Winter Sports Center staff for his 12-year tenure as its Chairman of the Board, Brian had the pleasure of throwing out the first pitch at the Double-A Portland Sea Dogs game!! In front of 23 family members and friends, along with the thousands of spectators, Brian chose to throw from the top of the pitcher's mound, and according to Brian he fired a perfect strike to the catcher (apparently certain members of Brian's family claimed the pitch was low and outside!!). This special occasion was made even grander with the presence of Brian & Gail's grandchildren, Annabelle and Owen, who were there to watch Papi throw out the first pitch!! Brian is no stranger to the baseball diamond having been a catcher and captain of his high school baseball team in Amesbury, Massachusetts. Brian has always had a dream of playing for the Boston Red Sox, so knowing that current Red Sox pitchers Jon Lester, Clay Buchholz, Josh Beckett, Daisuke Matsuzaka, Daniel Bard and Jonathan Paplebon all had stints at the Portland Sea Dogs, Brian is hoping to get a call any day now from Red Sox General Manager, Theo Epstein, calling him up to the big club!!!

Perfect form then and now. Should he be called up anytime soon?????

SMALL BUSINESS BUY-SELL AGREEMENTS

Small businesses play a vital role in our national and State economies. On many occasions, these small businesses are owned by a small number of shareholders that are actively involved in the business. Our experiences with our small business clients indicate there simply aren't enough hours in the day to be engulfed in the all encompassing day-to-day operations of the business, and to also focus attention on the business aspects of what would transpire if one or more of the shareholders wanted to sell their shares, or if a death or disability of shareholders occurred. This is where the importance of a legal buy-sell agreement amongst the shareholders comes into play. A properly executed and funded buy-sell agreement increases the likelihood of sustaining a small business after the unexpected occurrence of the above mentioned events. We have a significant amount of experience with our small business clients in crafting these buy-sell agreements, so for those of you who have yet to address this critical planning tool, please give us a call to begin the process.

ESTATE LAW CHANGES

On December 17, 2010, President Obama signed into law the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act, which among other things, increased the Federal estate exemption to $5 million per person through 2012 with an estate tax rate of 35% on amounts over the exemption. Effective 2013, this exemption is scheduled to be reduced to $1 million with an estate tax rate of 55% unless Congress and the President act to amend the current law. Although this short two-year increase in the estate exemption is certainly welcome, it does not alleviate the need to conduct comprehensive estate planning for the long-term. The State of Maine currently has an estate tax limit of $1 million per person, which is scheduled to increase to $2 million on January 1, 2013. Please call our office to schedule a time to meet with us to review your estate planning needs in light of the recent and any upcoming changes to the estate laws.

Art Thompson and Brian Hamel Achieve Membership in the Million Dollar Roundtable

Outstanding client services, ethics and professionalism have enabled Art and Brian to achieve membership in the prestigious Million Dollar Round Table (MDRT) – the Premier Association of Financial Professionals. ® Art is a 36-year MDRT member and Brian is four-year MDRT member. Attaining membership in MDRT is a distinguishing career milestone achieved by less than one percent of the world's life insurance and financial services professionals. It requires a member to adhere to a strict Code of Ethics, focus on providing top-notch client service, and continue to grow professionally through involvement in at least one other industry association. This recognition clearly represents Art and Brian's commitment to excellence and first class customer service.

Thompson - Hamel, LLC

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John "Jay" Thompson
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